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1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK
-----x

3 UNITED STATES OF AMERICA,

4 v.

14 Cr. 272 (JSR)

5 TAKAYUKI YAGAMI,

6 Defendant.

7 -----x

8 June 10, 2014
9 12:30 p.m.

10 Before:

11 HON. JED S. RAKOFF

District Judge

12
13 APPEARANCES

14 PREET BHARARA

United States Attorney for the
Southern District of New York

15 BY: BRIAN YOUNG

16 CAROL SIPPERLY

MICHAEL KOENIG

17 Assistant United States Attorneys

18 MATTHEW LEVINE

Attorney for Defendant

19 ALSO PRESENT: JEFFREY WEEKS, F.B.I.
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(In open court)

THE INTERPRETER: The interpreter would like to comment that she's been requested to stand by rather than interpret everything. Is that all right with your Honor?

THE COURT: That's fine, yes.

(Case called)

MR. YOUNG: Good afternoon, your Honor. Brian Young and Carol Sipperly from the Department of Justice, Criminal Division, Michael Koenig, from the Antitrust Division of the Department of Justice, an Special Agent Jeffrey Weeks from the F.B.I.

DEPUTY CLERK: Can you spell Sipperly, please.

MS. SIPPERLY: S-i-p-p-e-r-l-y.

DEPUTY CLERK: Thank you.

MR. LEVINE: Good afternoon, your Honor. Matthew Levine for the defendant Takayuki Yagami. Mr. Yagami is here. The interpreter is next to me. And with my is my law clerk Joanna Cohen. She is not yet admitted, but has passed the bar and asks for your permission to sit at counsel table.

THE COURT: She has passed the bar but she still wants to go forward? You know, there are a lot of good investment banking opportunities now. All right. Very good.

MR. LEVINE: Thank you, your Honor.

THE COURT: All right. My understanding is that the defendant wishes to enter a plea to a superseding information,

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1 is that correct?

2 MR. LEVINE: That is correct, your Honor.

3 THE COURT: We will place the defendant under oath.

4 (Defendant sworn)

5 THE COURT: All right. Mr. Yagami, let me first
6 advise you that because you are under oath, anything you say
7 that is knowingly false could subject you to punishment for
8 perjury or obstruction of justice or the making of false
9 statements. Do you understand?

10 THE DEFENDANT: I did not fully understand.

11 THE COURT: No. So, we need to have either
12 simultaneous translation, or we are going to postpone this
13 proceeding. That should have been set up in advance.

14 All right? Have you translated what I just said, or
15 would you like me to repeat it?

16 THE INTERPRETER: Yes, your Honor, I have.

17 THE COURT: All right. So, I'm going to say it again
18 anyway and have it translated simultaneously.

19 So, let me advise you that because you are under oath,
20 anything you say that is knowingly false could subject you to
21 punishment for perjury, or obstruction of justice, or the
22 making of false statements. Do you understand?

23 THE DEFENDANT: Yes, Honor.

24 THE COURT: Very good. So, your full name is Takayuki
25 Yagami?

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1 THE DEFENDANT: Yes, Honor.

2 THE COURT: And I take it you do read and write a
3 little bit of English; is that fair?

4 THE DEFENDANT: Yes, I do.

5 THE COURT: But your primary language is Japanese?

6 THE DEFENDANT: Yes, Honor.

7 THE COURT: And where are you from?

8 THE DEFENDANT: I'm from Japan, Honor.

9 THE COURT: And are you an American citizen or just a
10 Japanese citizen?

11 THE DEFENDANT: I am Japanese citizen.

12 THE COURT: How old are you?

13 THE DEFENDANT: I'm 42 years old.

14 THE COURT: And how far did you go in school?

15 THE DEFENDANT: I went to the university. That was
16 the highest. I graduated from the university.

17 THE COURT: Bring that microphone a little bit closer
18 to you.

19 THE DEFENDANT: I graduated from university.

20 THE COURT: OK.

21 THE DEFENDANT: That's the highest that I have.

22 THE COURT: All right. Have you ever been treated by
23 a psychiatrist or psychologist?

24 THE DEFENDANT: Never I have, Honor. Never.

25 THE COURT: OK. Have you ever been hospitalized for

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1 any mental illness?

2 THE DEFENDANT: Never, I haven't, Honor.

3 THE COURT: Have you ever been treated or hospitalized
4 for alcoholism?

5 THE DEFENDANT: Never have I, Honor.

6 THE COURT: Have you ever been treated or hospitalized
7 for narcotics addiction?

8 THE DEFENDANT: Never, Honor.

9 THE COURT: Are you currently under the care of a
10 physician for any reason?

11 THE DEFENDANT: I'm not under any -- any --

12 THE COURT: Why don't you say it in Japanese to the
13 interpreter, and she can interpret it for me.

14 THE DEFENDANT: No, I'm not receiving any treatment.

15 THE COURT: And are you taking any medication of any
16 kind?

17 THE DEFENDANT: No, Honor.

18 THE COURT: OK. And in the last 24 hours have you
19 taken any alcohol?

20 THE DEFENDANT: No, Honor.

21 THE COURT: In the last 24 hours have you taken any
22 narcotic?

23 THE DEFENDANT: No.

24 THE COURT: Is your mind clear now?

25 THE DEFENDANT: Never.

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1 THE COURT: Is your mind clear today?

2 THE DEFENDANT: Yes, I am clear, Honor.

3 THE COURT: On the basis of defendant's responses to
4 my questions, and my observations of his demeanor, I find that
5 he is fully competent to enter an informed plea at this time.

6 Now, Mr. Yagami, you have the right to be represented
7 by counsel at every stage of these proceedings. Do you
8 understand that?

9 THE DEFENDANT: Yes, I do, honor.

10 THE COURT: And if at any time you can't afford
11 counsel, the court will appoint one to represent you free of
12 charge throughout the proceedings. Do you understand that?

13 THE DEFENDANT: Yes, I do, Honor.

14 THE COURT: You are represented by Mr. Levine. Are
15 you satisfied with his representation?

16 THE DEFENDANT: Yes, I am.

17 THE COURT: Have you had a full opportunity to discuss
18 this matter with him?

19 THE DEFENDANT: Yes, Honor.

20 THE COURT: And have you told him everything you know
21 about this matter?

22 THE DEFENDANT: Yes, Honor.

23 THE COURT: Now, was there a previous indictment or
24 not in this matter?

25 MR. YOUNG: There was an indictment, your Honor. Mr.

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1 Yagami was not indicted in the matter.

2 THE COURT: OK. Yes, I've seen the indictment against
3 the others; I meant against him.

4 So, Mr. Yagami, the government proposes to charge you
5 with what is called an information -- actually what they call a
6 superseding information. Why is it a superseding information?

7 MR. YOUNG: Your Honor, Mr. Yagami was identified in
8 the underlying indictment as Trader R.

9 THE COURT: That doesn't make this a superseding
10 information; it's just an information. A superseding
11 information would be superseding some previous charge against
12 him. You just told me he hasn't been charged, correct?

13 MR. YOUNG: He has not been charged, your Honor.

14 THE COURT: So, although I like the fact that you know
15 how to spell superseding -- and very few people do, they
16 usually spell s-u-p-e-r-c-e-d-i-n-g, which is totally wrong and
17 shows their complete ignorance of Latin; and you got it right,
18 s-u-p-e-r-s-e-d-i-n-g -- the only trouble is it's not a
19 superseding information, it's just an information. True?

20 MR. YOUNG: I think that's true, your Honor. My
21 understanding of the procedural posture of the case was that
22 we're supposed to style it a superseding information because it
23 referenced the underlying indictment against Mr. Robson and the
24 other two defendants.

25 THE COURT: Well, I don't know what they do in places

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1 like Washington D.C., but that's not the way it's done up here,
2 but I will leave it; it's immaterial.

3 So, my question for you, Mr. Yagami, is was this read
4 to you, this superseding information, in Japanese?

5 THE DEFENDANT: No, Honor.

6 THE COURT: You read it in English?

7 THE DEFENDANT: Yes, I did.

8 MR. LEVINE: Your Honor, we went over it very
9 carefully several times. I have every confidence that Mr.
10 Yagami understood every part of it. We went over it slowly.
11 He understood it well. I have discussed this matter with him
12 many times. I have gone over the previous charging documents
13 in the indictment with him, as well as --

14 THE COURT: Well, let me --I think we're going to read
15 it now and have it translated right now --

16 MR. LEVINE: Thank you, your Honor.

17 THE COURT: -- as we read it.

18 So Count One, United States Attorney charges:

19 1. From at least in or about May 2006 through at
20 least in or about early 2011, in the Southern District of New
21 York and elsewhere, Takayuki Yagami, together with Paul Robson,
22 Paul Thompson, and Tetsuya Motomora, and others known and
23 unknown, did knowingly combine, conspire, confederate and agree
24 to commit certain offenses against the United States, that is,
25 A, to devise and intend to devise a scheme and artifice to

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1 defraud, and to obtain money and property by means of
2 materially false and fraudulent pretenses, representations and
3 promises.

4 THE INTERPRETER: Excuse me, your Honor. I'm sorry,
5 if you could go slightly slower.

6 THE COURT: Yes, I'm sorry. Do you have a copy in
7 front of you?

8 THE INTERPRETER: I do now, yes.

9 THE COURT: So, why don't you just translate it right,
10 unless you want it read here in open court.

11 MR. YOUNG: Whatever is easiest.

12 THE COURT: No, defense counsel. Do you want it read
13 in open court, or shall we just have the translator translate
14 it for him privately?

15 MR. LEVINE: I would be comfortable with just having
16 the translator read it.

17 THE COURT: So tell me when you're through.

18 (Pause)

19 MR. LEVINE: Thank you, your Honor.

20 THE INTERPRETER: It's easier if it was actually read
21 at the same time I looked at it.

22 THE COURT: Sorry?

23 THE INTERPRETER: It would be easier if it was read at
24 the same time that I look at it, if it was read aloud, if that
25 would be all right.

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1 MR. LEVINE: I have no objection either way, your
2 Honor. Whatever your Honor thinks is best.

3 THE COURT: I'm going to disappear for ten minutes,
4 and when I come back it better have been translated.

5 (Continued on next page)

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1 (Recess)

2 THE COURT: Are you through?

3 THE INTERPRETER: I have "B" through "E" on the last
4 page.

5 THE COURT: All right. Go ahead.

6 (Pause)

7 MR. LEVINE: Thank you, your Honor.

8 could I just state for the record, I've asked
9 Mr. Yagami if after having this translated whether his
10 understanding was the same as when we spoke about it yesterday
11 and previously and he confirmed to me it was exactly the same.

12 THE COURT: Very good. Thank you very much.

13 So, Mr. Yagami, the government can only file this
14 information with your permission because under the Constitution
15 you have a right to have this charge presented to a grand jury
16 which is a group of 16 to 23 citizens who would meet and
17 consider evidence and could only bring this charge against you
18 if they found there was probable cause to believe that you had
19 committed this crime. Do you understand that?

20 THE DEFENDANT: Yes, I do, Honor.

21 THE COURT: Are you prepared to give up that right and
22 to have the government file this directly against you?

23 THE DEFENDANT: Yes, I am, Honor.

24 THE COURT: Was there a written waiver?

25 MR. YOUNG: Yes, your Honor.

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1 THE COURT: Thank you. Yes, here it is.

2 No. Actually, I don't have a written --

3 MR. YOUNG: We have an advanced copy. I have the
4 original here.

5 THE COURT: Very good.

6 (Pause)

7 THE COURT: Mr. Yagami, did you in order to indicate
8 your agreement, sign a written waiver of your right to have
9 this presented by indictment before a grand jury and a written
10 consent to have this information filed? Did you sign that?

11 THE DEFENDANT: Yes.

12 THE COURT: Was that written to you in Japanese?

13 THE DEFENDANT: It was written in English.

14 THE COURT: It was read to him in English but not in
15 Japanese, correct?

16 THE DEFENDANT: Yes, your Honor.

17 THE COURT: All right. I'm read it again. You can
18 have it translated as we go along.

19 The above named defendant was accused of violating
20 Title 18 U.S.C. Section 1349, being advised of the nature of
21 charge and of his rights hereby waives in open court
22 prosecution by indictment and consents that the proceeding may
23 be by information instead by indictment.

24 You understood that, yes?

25 THE DEFENDANT: Yes, I did.

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1 THE COURT: And you signed it earlier today, yes?

2 THE DEFENDANT: Yes, I did.

3 THE COURT: All right. I'll give that waiver to my
4 courtroom deputy to file and we'll accept for filing the
5 superseding information.

6 Mr. Yagami, you know this charge has been, even though
7 this charge has been filed against you you could still plead
8 not guilty and could go to trial I but I understand you wish to
9 plead guilty; is that right?

10 THE DEFENDANT: Yes, it is.

11 THE COURT: Before I can accept any plea of guilty I
12 need to make certain, among other things, that you understand
13 the rights that you will be giving up if you plead guilty. So,
14 I want to go over with you now the rights that you will be
15 giving up; do you understand that?

16 THE DEFENDANT: Yes, I do your Honor.

17 THE COURT: First you have a right to a speedy and a
18 public trial by a jury on the charge against you. Do you
19 understand that?

20 THE DEFENDANT: Yes, I do, Honor.

21 THE COURT: Second, if there were a trial you would be
22 presumed innocent and the government would be required to prove
23 your guilt beyond a reasonable doubt before you could be
24 convicted of this charge; do you understand that?

25 THE DEFENDANT: Yes, I do, your Honor.

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1 THE COURT: Third, at the trial you would have the
2 right to be represented by counsel. And once again, if at any
3 time you could not afford counsel, the Court would provide one
4 for you free of charge throughout the trial and all other
5 proceedings. Do you understand that?

6 THE DEFENDANT: Yes, I do, Honor.

7 THE COURT: Fourth, at the trial you would have the
8 right to see and hear all the witnesses and other evidence
9 against you and your attorney could cross-examine the
10 government's witnesses and could object to the Government's
11 Exhibits and could offer evidence on your own behalf if you so
12 desired. You could have subpoenas issued to compel the
13 attendance of witnesses and other evidence on your behalf. Do
14 you understand all of that?

15 THE DEFENDANT: Yes, I do honor.

16 THE COURT: And fifth, at the trial you would the
17 right to testify if you wanted to but no one could force you to
18 testify if you did not want to and no suggestion of guilt could
19 be drawn against you if you chose not to testify. Do you
20 understand that?

21 THE DEFENDANT: Yes, I do, Honor.

22 THE COURT: And finally, even if you are convicted you
23 would have the right to appeal your conviction. Do you
24 understand that?

25 THE DEFENDANT: Yes, I do, Honor.

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1 THE COURT: Now, do you understand that if you plead
2 guilty you will be giving up each and every one of the rights
3 we just discussed; do you understand that?

4 THE DEFENDANT: Yes, I do, Honor.

5 THE COURT: Very good. Now, the charge here, the
6 conspiracy charge carries a maximum sentence of 30 years
7 imprisonment, plus up to five years supervised release to
8 follow any imprisonment, plus a maximum fine of a million
9 dollars. Do you understand those are the maximum punishments
10 you face if you enter a plea of guilty to this charge?

11 THE DEFENDANT: Yes, I do, Honor.

12 THE COURT: Also, do you understand that if I were to
13 impose a term of supervised release and you were to violate any
14 of the conditions of supervised release, that violation in and
15 of itself could subject you to still more imprisonment going
16 even beyond the term of supervised release; do you understand
17 that?

18 THE DEFENDANT: Yes, I do, Honor.

19 THE COURT: Now, at this point in time I have
20 absolutely no idea what sentence I will impose if you plead
21 guilty, but I will take account of the sentencing guidelines
22 which are certain laws that recommend a range at which the
23 Court may sentence you. I will take account of various factors
24 that are set forth in Section 3553(A) of Title 18, the general
25 section describing all the functions of sentencing and I will

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1 take account of any agreement that you have reached with the
2 government. Do you understand all that?

3 THE DEFENDANT: Yes, I do, Honor.

4 THE COURT: And in that connection, I have been
5 furnished with a letter agreement which we'll now mark as Court
6 Exhibit One to today's proceeding and it takes the form of a
7 letter from the government to your counsel. Does someone have
8 the original? It's the original that we will mark as Court
9 Exhibit One and I am worried that the answer to the question
10 that I am about to put, was this read to you in Japanese?

11 THE DEFENDANT: Just in English, Honor, so.

12 THE COURT: So, I can tell from your responses to my
13 questions that while you understand English it's, certainly,
14 not as perfect as one would expect of someone who is a native
15 of English speakers, so that the very first question today and
16 that I put to you was one that had to be translated before you
17 understood it. Now, this agreement there is an open question
18 as to whether it really is written in English or just legalese
19 but it's, certainly, not something that someone for whom
20 English is a second being language could necessarily readily
21 understand.

22 So, I wonder, counsel, whether we don't have to have
23 this read to the defendant in Japanese. I also wonder why
24 counsel didn't think about this a long time ago

25 MR. LEVINE: Your Honor, your latter question is a

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1 good one and that probably would have been the preferable
2 course. I would just add to answer the first question which is
3 that Mr. Yagami has been interviewed numerous, numerous times
4 by these people here as well as other lawyers always in
5 English. I have been discussing with him the nature of this
6 agreement for a long time. I have gone over the concepts that
7 are contained in with him many, many times. I have been
8 representing him for over six months now. I have gone over
9 this specific agreement with him line-by-line several times as
10 recently as yesterday and I have every confidence that he
11 understands it. I literally read each sentence with him in
12 English and made sure he understood it, so I have great
13 confidence.

14 THE COURT: You don't think that was prohibited by the
15 cruel and unusual punishment --

16 MR. LEVINE: It may have been. And I just would say I
17 think he's just a little nervous because this is his first time
18 before a federal district judge and his first time pleading
19 guilty to a criminal offense and I think he was just a little
20 put off by your first question but I do think he is fully
21 comprehending everything before and everything now.

22 THE COURT: Well, let me ask. Mr. Yagami, confirming
23 what your counsel just said, did you go over this agreement
24 line-by-line?

25 THE DEFENDANT: Yes, I did.

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1 THE COURT: And are you confident you understood this
2 agreement?

3 THE DEFENDANT: Yes, I am confident.

4 THE COURT: And you signed it earlier today, right?

5 THE DEFENDANT: Yes, I did, Honor.

6 THE COURT: And when you signed it it was because you
7 are confident you understood it and you wished to agree to it,
8 yes?

9 THE DEFENDANT: Yes, I do, Honor.

10 THE COURT: And you knew you would be bound by its
11 terms?

12 THE DEFENDANT: Yes.

13 THE COURT: All right. We'll move ahead then.

14 Now, you should understand, Mr. Yagami, that this
15 agreement while it's binding between you and the government is
16 not binding on me. For example, this agreement says that if
17 you rendered substantial assistance to the government they will
18 make a motion for a reduced sentence in your case. You
19 understand that, yes?

20 THE DEFENDANT: Yes, I do, Honor.

21 THE COURT: But I may grant a motion or I may deny
22 that motion. Even if I grant that motion I may reduce your
23 sentence a little. I may reduce it a lot. I may not reduce it
24 at all. Do you understand all that?

25 THE DEFENDANT: Yes, I do, honor.

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1 THE COURT: All right. Very good. On the other hand,
2 because this agreement is binding between you and the
3 government you have agreed not to appeal or otherwise attack
4 your sentence in this case. Do you understand that?

5 THE DEFENDANT: Yes, I do, Honor.

6 THE COURT: So, let me ask the government, other than
7 this agreement, have any other promises been made to Mr. Yagami
8 in connection with this plea?

9 MR. YOUNG: No, your Honor.

10 THE COURT: Does defense counsel confirm that is
11 correct.

12 MR. LEVINE: I confirm your Honor.

13 THE COURT: And, Mr. Yagami, do you confirm that as
14 well?

15 THE DEFENDANT: I confirm, Honor.

16 THE COURT: Mr. Yagami, other than the government, has
17 anyone else made any kind of promises to you or offered you any
18 inducement to get you to plead guilty this afternoon?

19 THE DEFENDANT: No, honor.

20 THE COURT: Has anyone threatened you or coerced you
21 to get you to plead guilty?

22 THE DEFENDANT: No, Honor.

23 THE COURT: Does the government represent that if this
24 case were to go to trial it would through competent evidence
25 prove every element of this crime beyond a reasonable doubt?

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1 MR. YOUNG: Yes, your Honor, we that representation.

2 THE COURT: Does defense counsel know of any valid
3 defense that would likely prevail at trial or any other reason
4 why its client should not plead guilty?

5 MR. LEVINE: I have no reason, your Honor.

6 THE COURT: Then, Mr. Yagami, tell me in your own
7 words what it is you did that makes you guilty of this crime.

8 MR. LEVINE: Your Honor, if I may I have an allocution
9 for him.

10 THE COURT: Yes. What a surprise. Go ahead.

11 MR. LEVINE: It is in English and if your Honor has
12 any questions when he's done, obviously, we would welcome them.

13 THE COURT: Very good.

14 THE DEFENDANT: I worked as money market trader for
15 Rabobank from, approximately, August 2000 through January 2012.
16 During some or all of that period or all of that time period I
17 worked on a regular basis for Paul Robson, Paul Thompson and
18 Tetsuya Motomura. Also, during some or all of that period I
19 was supervised directly by Paul Thompson or Tetsuya Motomura.
20 Beginning in August or about May 2006 I was provided the
21 opportunity to conduct propriety trading for Rabobank. Much of
22 that trading I engaged involved financial instruments tied to
23 the London Interbank Offered Rate, also know as, LIBOR. I
24 frequently engaged in trading involving instruments tied to the
25 Japanese Yen LIBOR rate. During my employment at Rabobank I

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1 understood that the Yen LIBOR rate was an interest rate which
2 attempted to accurately describe the rate at which Rabobank
3 borrowed yen on a regular, on a particular day.

4 I also understood Rabobank was a member of a panel of
5 banks that submitted rates to the British Bankers Association
6 each day in order to establish the LIBOR rate or barriers
7 currencies including yen.

8 I also understood that someone at Rabobank first in
9 London and later in Utrecht would submit the Rabobank LIBOR
10 rate each day to Thompson Reuters in New York by means of an
11 electronic wire transmission. In connection with trading and
12 financial instruments tied to LIBOR that I and others and
13 Rabobank conducted, I knew that the profit or loss that flowed
14 from this trading was directly affected by the relevant LIBOR
15 rate on a particular day.

16 Further, I knew Rabobank regularly settled trades with
17 certain counter-parties located in the United States. It was
18 foreseeable to me that the settlement forces involving those
19 U.S. counter-parties for trades involving instruments that set
20 an interest rates referring LIBOR involved international wire
21 transfers beginning or ending within the United States
22 including some of my own trades.

23 Beginning in or about September of 2007, beginning in
24 or about the spring of 2007, I knowingly and intentionally
25 joined a force by Mr. Robson, Mr. Thompson and Mr. Motomura to

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1 attempt to manipulate the rate at which LIBOR is set. The
2 method by which we attempted to manipulate the LIBOR rate was
3 causing Rabobank to submit LIBOR rates to the BPA that were
4 intended solely to benefit trading positions, one or more was
5 held and not to accurately express Rabobank's yen borrowing
6 rate. On some occasion I requested that Rabobank submit one or
7 more LIBOR rates intended to benefit my own trading positions.
8 On other occasions I requested Rabobank submit one or more
9 LIBOR rates intended to benefit trading positions held by
10 Mr. Thompson, Mr. Motomura or both.

11 I was also aware that Mr. Robson submitted rates on
12 behalf of Rabobank that were intended solely to benefit
13 Mr. Robson's own trading position.

14 At the time I joined the Air Force of Mr. Robson,
15 Mr. Thompson and Mr. Motomura attempts to manipulate the LIBOR
16 rates I knew that what I was doing was wrong. Nor did I ever
17 disclose to Rabobank trading counter-parties these attempts to
18 manipulate the LIBOR rate.

19 I deeply regret having made this terrible mistake.

20 THE COURT: So, when you were manipulating the LIBOR
21 rate, it was to your advantage and the advantage of your
22 co-conspirators but you knew it would be to the disadvantage of
23 others including institutions in the United States, yes?

24 THE DEFENDANT: Yes.

25 THE COURT: All right. And the government represents

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1 that those included financial institutions and deposits which
2 were insured by the federal deposit the --

3 MR. YOUNG: Some of the institutions were FDIC
4 insured, your Honor.

5 THE COURT: Very good. All right. I meant to mention
6 earlier, Mr. Yagami, that by pleading guilty and entering into
7 this agreement you have also agreed to the forfeiture provision
8 set forth in the information; you agree, yes?

9 THE DEFENDANT: Yes, I did.

10 THE COURT: Also, I mentioned that I have no idea what
11 sentence I will impose. I wanted to add to that that therefore
12 if anyone has made any kind of prediction or representation or
13 a promise to you of what your sentence will be in this case,
14 that person could be wrong and you cannot rely on any such
15 prediction; do you understand that?

16 THE DEFENDANT: Yes, I do, Honor.

17 THE COURT: All right. Before I ask the defendant to
18 formally enter his plea, is there anything else either counsel
19 wishes the Court to inquire about?

20 MR. YOUNG: Nothing from the government's side, your
21 Honor.

22 MR. LEVINE: Nothing from the defense, your Honor.

23 THE COURT: So, Mr. Yagami, in light of everything
24 we've now discussed, how do you now plead to this superseding
25 information which is designated S1 14 CR 272, guilty or not

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1 guilty?

2 THE DEFENDANT: Guilty, your Honor.

3 THE COURT: Are you pleading guilty voluntarily?

4 THE DEFENDANT: Yes, I do, your Honor.

5 THE COURT: Because the defendant's acknowledged his
6 guilt as charged, because he has shown that he understands his
7 rights, because his plea is entered knowingly and voluntarily
8 and is supported by an independent basis in fact containing
9 each of the essential elements of the offense, I accept his
10 plea and adjudge him guilty of the conspiracy charged set forth
11 as Count One of the superseding information S1 14 CR 272.

12 Now, the next stage of this, Mr. Yagami, is that you
13 will be given a reasonable amount of time to demonstrate a
14 substantial assistance to the government and then at about
15 three months before sentencing date that we're about to set,
16 the probation office will begin preparing what's called a
17 presentence report which will assist the Court in determining
18 sentence. As part of that you will be interviewed by the
19 probation office. You can have your counsel present. Under my
20 practices you have to personally answer any and all questions
21 put to you by the probation officer. Do you understand that?

22 THE DEFENDANT: Yes, I do, your Honor.

23 THE COURT: Then after that report is in draft form
24 you and your counsel also government counsel have a chance to
25 review it and to offer suggestions, corrections and additions

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1 to the probation officer who will then prepare the report in
2 final to come to me. Independent of that counsel are hereby
3 given leave to submit to the Court in writing any and all
4 motions and other materials related to any aspect of sentence
5 provided they are submitted no later than one week before
6 sentence.

7 So, do counsel have a suggested sentencing date?

8 MR. YOUNG: Your Honor, I think both parties would --
9 I know the Court has a three year rule. And what we're going
10 to ask the Court to do is to set that date as close to three
11 years as we can. And the reason that we're asking for that,
12 judge, is because some of these defendants are overseas. And
13 what I would hate to see happen to Mr. Yagami is that the case
14 isn't resolved by the time the sentence is here.

15 THE COURT: Yes. Well, first of all, you should keep
16 in mind that there's always a year to move for reduction of
17 sentence even after he's sentenced in the case of cooperators.

18 Secondly, and more importantly he's just admitted to a
19 series of crimes. He needs to be sentenced for that and not to
20 let this go on for an uncertain period of years and years.

21 On the other hand, I agree with you that this case
22 qualifies for the three year, the full three years that is the
23 maximum I allow. So we will set the sentence down for,
24 assuming it is a weekday, June 10, 2017. I assume counsel are
25 available at 4 p.m. So, June 9, 2017 at 4 p.m.

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1 Now, if his cooperation is completed before then,
2 either side can apply to have the sentencing earlier. But it's
3 not going to go under any sort of circumstances later than the
4 date we just set. That's the absolute farthest out I am
5 prepared to go. So just bear that in mind. Because there is
6 the international aspects of this thing may well delay things.

7 All right. Now, in terms of bail, my understanding is
8 that the parties have agreed to a bail package of a \$500,000
9 bond secured by \$100,000 cash, plus that the defendant is
10 permitted to maintain his residence with his family in Hong
11 Kong and to travel to Japan for personal reasons, to the United
12 States for cooperation purposes and to China, Japan, Singapore,
13 Vietnam, Thailand, Indonesia and the Philippines for business
14 purposes; is that correct?

15 MR. YOUNG: That's correct, your Honor.

16 MR. LEVINE: Yes, your Honor.

17 THE COURT: All right. So that's agreeable to the
18 Court.

19 All right. Anything else we need to take up today?

20 MR. YOUNG: Yes, your Honor. I'd like to hand up a
21 final copy of our information.

22 THE COURT: Yes.

23 (Pause)

24 MR. YOUNG: Nothing further from the government, your
25 Honor.

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1 THE COURT: Anything else?

2 MR. LEVINE: Nothing further from the defense.

3 THE COURT: All right. Very good. Thanks very much.

4 MR. LEVINE: Your Honor, one thing could I have 24
5 hours to get that money to the clerk because I have to do a
6 wire transfer?

7 THE COURT: Yes.

8 MR. LEVINE: Thank you.

9 (Adjourned)

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